



**Center for the
Digital Future**

Annenberg School for
Communication

Jeffrey I. Cole, Ph.D
Director

cole@digitalcenter.org

February 22, 2007

The Honorable Kevin J. Martin
Chairman
Federal Communications Commission
445 12th Street, S.W.
Room 8-B201
Washington D.C. 20554

Docket WT 07-16

Dear Chairman Martin:

I am writing to express my strong support for M2Z Networks, Inc's application for licensing and authority to provide a national broadband radio service in the 2155-2175 Mhz band.

The Center for the Digital Future at the USC Annenberg School, which I direct, is committed to conducting original policy research that can touch and change people's lives. As you know, we are in the seventh year of our long-term, longitudinal study of the ways in which the Internet is changing our social, political and economic lives, The World Internet Project. Since 2000 we have been tracking a representative sample of the America population and watching as non-users move to dialup and then to broadband. We also follow those few who drop off the web and now, seven years later, those who have never been users. Under our direction, we are conducting this work in over 27 countries around the world and have an unparalleled view of the ways in which technology can change people's lives. We have shared our annual reports with the White House, Congress and the FCC as well as governmental institutions around the world.

From the beginning our reports have shown the extraordinary importance of the Internet and how valuable users find the web. When asked whether they would give up net access, television or mobile phones, the web is the last thing Americans would want to surrender. Even during the so-called meltdown of 2002 when many predicted the Internet had peaked and might decline, our data showed that it was only growing in importance. We find that virtually no one gives up the web because of disinterest or dissatisfaction (although there are some things they do not like). Of those 2% who drop off each year, almost all do so because they lose their connection at work or school or because their PC breaks. Today's 20, 30 and 40-somethings will never give up the web and, when they are in their 70s, 80s, 90s and beyond, web

300 South Grand
Avenue, Suite 3950
Los Angeles,
California 90071-3175

Tel: 213 437 4433
Fax: 213 437 4440

penetration will be at television levels.

In 2006 the United States passed an extremely important milestone. At that point we could say that just about everyone in the country who wanted to be on-line was on-line. But while just about everyone who wants to be on-line is on-line, many who want broadband do not have it.

Our work in 2000-2005 showed clearly that “broadband changes everything.” While almost all users acquired broadband for the speed, it was actually the direct connection that had the largest impact integrating the Internet into everyday life and leading to the web becoming the most important source of information.

It is the importance of broadband and the role it plays in web user’s lives that leads to our strong support for M2Z’s application to provide service in the 2155-2175Mhz band. Of particular importance to us at the Center and our public service mission is the proposal of M2Z to build out free broadband in the 384 kilobits range. While M2Z pursues broadband across the board, it offers free broadband to anyone with a wireless receiver (which today can be bought for \$25). This free service coupled with the commitment to reach a 33% build-out in three years, 66% in five and 95% within 10, will go a long way to ending the great broadband divide. M2Z’s commitment is more than a passive promise to earn a license since they lose their frequencies if they do not honor their promise.

We are greatly impressed with M2Z’s public interest commitments in exchange for the spectrum allocation. Beyond the extraordinarily important provision of free broadband at the 384 kilobits level, we take important note that they will finance the pipeline with their own funding and without any monies from the government or the Universal Service Funds. The 5% lease payments on the spectrum should represent significant annual revenue for the Federal Treasury. More than a windfall from a one-time auction, these payments will provide a long-term infusion of funds into the Federal System.

Our work shows that 98% of parents believe there is much harmful information on the web while 97% believe it is essential that their children have access to the web. This paradox creates great concern for parents who frequently lack the knowledge to properly regulate their children’s use of the web. The filtering of the pipe at the network will do much to minimize the dangers of the Internet and help put the minds of parents and teachers at rest as their children and students go on-line.

Broadband really does change everything. Today’s dial-up users have come to recognize their great disadvantage in the use of the Internet. Cost has become a significant barrier to broadband access as many families found they could not afford over \$40 a month for service. When DSL provided much-needed competition from the phone companies and service dropped to as low as \$15 a month (usually for just a year), broadband adoption dramatically increased and now accounts for more than half of the Internet users in the U.S. Sadly, America is only 18th in the world in broadband adoption as many families still cannot afford the \$15-\$40 per month. The granting of M2Z’s application will do much to end the great broadband divide and bring broadband’s fast, always-on service to almost all those who use the web. Then American users will really see the extraordinary benefits and opportunities provided by the Internet.

Sincerely,

A handwritten signature in black ink that reads "Jeffrey Cole". The signature is fluid and cursive, with the first name "Jeffrey" and last name "Cole" clearly distinguishable.

Jeffrey Cole, Ph.D.

Cc: Commissioner Michael J. Copps
Commissioner Jonathan S. Adelstein
Commissioner Deborah Taylor Tate
Commissioner Robert M. McDowell